

FCC Launching Huge Internet Tax

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Julius Genachowski and the FCC: gaining “necessary participation” by raiding the pocketbooks of internet consumers.

Get ready for another transfer of wealth via government confiscation. The FCC is ready to tax internet service in order to fund its Connect America Fund boondoggle.

As is usually the case in corporatist nations – Mussolini told us corporatism is the essence of fascism – mega-corporations support this brazen theft.

“Numerous companies, including AT&T, Sprint and even Google have expressed support for the idea,” reports [The Hill](#) today.

The scheme is nothing new. “Consumers already pay a fee on their landline and cellular phone bills to support the FCC’s Universal Service Fund.” The “Service Fund” was devised as yet another grand socialist enterprise “to ensure that everyone in the country has access to telephone service, even if they live in remote areas.”

In 2011, appointed apparatchiks at the FCC “overhauled a \$4.5 billion portion of the Universal Service Fund and converted it into a broadband Internet subsidy, called the Connect America Fund. The new fund aims to subsidize the construction of high-speed Internet networks to the estimated 19 million Americans who currently lack access.”

It hardly seems relevant that the FCC lacks statutory authority over broadband. Nowadays, just about the entire government – from Obama’s executive orders to the “Super Congress” – runs by dictatorial fiat.

The FCC’s illegal power grab supported by transnational telecoms has already resulted in the sort of abuses that are routine when the government inserts itself in the business realm.

“Of course the ‘Connect America Fund’ is more than just another flagrant government shakedown of taxpayers and naked bureaucratic power grab,” writes [Howard Rich](#). “Like the ‘Green Jobs’ scam that

brought us the infamous Solyndra scandal, it's yet another example of government fundamentally usurping the private sector's role of allocating capital."

In fact, the government's new "broadband scam" already has its own Solyndra scandal – a company called Open Range.

Right around the time Genachowski was making his "necessary participation" speech, it was revealed that Open Range filed for bankruptcy despite being approved for \$267 million in loans from the U.S. Agriculture Department.

Ironically, it was a decision by the FCC to deny a special license to Open Range's business partner, Globalstar, that led to the company's collapse. Some have even speculated that the FCC deliberately denied this license because it was promoting a competing venture involving LightSquared, a company backed by a powerful Democratic fundraiser.

Imagine that, another instance of crony capitalism benefiting the entrenched political class.

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